# GOVERNMENT OF INDIA
# CORPORATE AFFAIRS
# LOK SABHA

UNSTARRED QUESTION NO:2703
ANSWERED ON:17.03.2017
Early Warning System of Frauds
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**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

(a) whether the Serious Fraud Investigation Office (SFIO) has developed early warning system to detect fraud as well as to strengthen its capability for taking stringent action against corporate misconduct;

(b) if so, the details thereof;

(c) the details of the organisations against which complaints of financial frauds received by the Government during the last three years; and

(d) the action taken/being taken against such organisations and the extent to which the new system is likely to be effective to check such corporate affairs?

## Answer

THE MINISTER OF STATE IN THE (SHRI ARJUN RAM MEGHWAL)
MINISTRY OF CORPORATE AFFAIRS

(a) & (b) Serious Fraud Investigation Office (SFIO) of this Ministry is in the process of developing 'Early Warning System' (EWS) to generate alerts as well as to strengthen its capability for taking stringent action against corporate misconduct. For this purpose, services of a consulting agency have been engaged to develop the conceptual framework. The development of EWS is an iterative process. The system will show results after the framework under development stabilises.

(c) & (d) The Ministry has ordered investigation into the affairs of 432 companies through Serious Fraud Investigation Office (SFIO) during the last three years and current year (up to 31-01-2017) against which complaints/ allegations of frauds came to the notice of the Ministry.

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